

DEPARTMENT OF INSURANCE**Legal Division, Corporate Affairs Bureau**

45 Fremont Street, 24th Floor
San Francisco, CA 94105

**NOTICE**

Date: June 16, 2017

To: All Licensees and Other Interested Persons

Subject: Bond of Attorney-in-Fact of Reciprocal or Interinsurance Exchange

The Department of Justice at the request of the California Department of Insurance has adopted section 50.5 to Title 11 of the Code of Regulations Article 19 promulgating a revised bond of attorney-in-fact effective upon filing with the California Secretary of State on May 15, 2017. This bond form is effective for immediate use.

A copy of the Notice of Filing and Printing Only, Notice of Publication of Regulations Submission Form 400 and bond form are with this notice, posted on the Department of Insurance Website.

If you have any question regarding this bond form, please contact Jill Jacobi at (415) 538-4426 or at Jill.Jacobi@insurance.ca.gov.

**State of California
Office of Administrative Law**

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Amend section: 50.5

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

OAL Matter Number: 2017-0424-03

OAL Matter Type: File and Print Only (FP)

This action submitted by the Department of Justice is a request to file and print the approved revised surety bond form of the Department of Insurance, "Bond of Attorney-in-Fact of Reciprocal or Interinsurance Exchange" pursuant to Government Code section 11343.8.

OAL filed this regulation with the Secretary of State and will publish the regulation in the California Code of Regulations.

Date: May 15, 2017



Nicole C. Carrillo
Attorney

**For: Debra M. Cornez
Director**

**Original: Xavier Becerra
Copy: Karen W. Yiu**

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2017-0424-03FP	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

NOTICE	REGULATIONS
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 AGENCY WITH RULEMAKING AUTHORITY
 Department of Justice, for the Department of Insurance

AGENCY FILE NUMBER (If any)

ENDORSED - FILED
 In the office of the Secretary of State
 of the State of California

MAY 15 2017

1:53 p.m.

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Department of Insurance bond form		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
TITLE(S) 11, Div. 1, Chapter 2		AMEND Article 19, section 50.5 Bond of Attorney-in-Fact of Reciprocal or Interinsurance Exchange	
		REPEAL	
3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input checked="" type="checkbox"/> File & Print <input checked="" type="checkbox"/> Other (Specify) Revision of surety bond form <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify)			
7. CONTACT PERSON Karen W. Yiu		TELEPHONE NUMBER 510-879-1245	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional)

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

 Karen W. Yiu
 TYPED NAME AND TITLE OF SIGNATORY
 Karen W. Yiu, Deputy Attorney General

April 20, 2017

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAY 15 2017

Office of Administrative Law

State of California

Department of Insurance

Bond of Attorney-in-Fact of Reciprocal or Interinsurance Exchange

Form 50.5 (Rev 4/2017)

California Code of Regulations Title 11 section 50.5

Corporate Affairs Bureaus I & II
45 Fremont Street 24th Floor
San Francisco, CA 94105
Information 415-538-4000
www.insurance.ca.gov

State of California
Department of Insurance
**BOND OF ATTORNEY-IN-FACT OF RECIPROCAL
OR INTERINSURANCE EXCHANGE**
(California Insurance Code sections 1324-1330)

Bond No.: _____
Premium \$ _____

KNOW ALL BY THESE PRESENTS:

That we, _____, as Principal,
whose address for service is _____
Street Address

_____,
City State Zip Code
and _____ a corporation
organized under the laws of the State of _____, and admitted to transact
surety insurance in the State of California, as Surety, whose address for service is

Street Address City State

_____ are held and firmly bound to *the People of*
State Zip Code
the State of California, in the penal sum of Fifty Thousand and No/100 Dollars (\$50,000), lawful
money of the United States of America, for which payment, well and truly to be made, we bind
ourselves, our heirs, executors and successors, jointly and severally, by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that:

WHEREAS, the above-named Principal has been designated as Attorney-in-Fact for the
_____, a reciprocal or interinsurance exchange,
which is admitted to, or is applying for admission to, the State of California, in accordance with
the provisions of Chapter 3, Part 2, Division 1 of the Insurance Code of the State of California,
as such Attorney-in-Fact, is required to furnish a bond in the sum above named conditioned as
hereinafter set forth.

NOW, THEREFORE, if the said Principal shall faithfully account for all moneys and other property which may come into its hands, or is handled by it under the terms of the Power of Attorney and the Rules of the above-named Exchange, and if it shall neither withdraw nor cause to be withdrawn, nor appropriate to its own use from the funds of the Exchange anything of value to which it is not entitled under the terms of the Power of Attorney and the Rules of said Exchange, then this obligation shall be void; otherwise to remain in full force and effect.

This bond may be sued upon in one and the same action either by any subscriber, or any number of subscribers suffering loss through the violation of its conditions, or by the receiver or trustee in liquidation of the Exchange. Liability hereunder may be enforced by any one or more of such parties, but the aggregate liability of the Surety hereunder shall not exceed the penal sum stated herein. Any amount recovered in an action on this bond shall be deposited in and become a part of the funds of the Exchange.

This bond is executed by the Surety to comply with and the bond shall be subject to the provisions of Chapter 3, Part 2, Division 1 of the California Insurance Code and to the provisions of Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the California Code of Civil Procedure.

By executing this bond, Principal and Surety agree any action on this bond shall be instituted and prosecuted in the counties of the State of California, with service by U.S. mail as prescribed in the California Code of Civil Procedure sections 417.10 and 417.20 and this bond shall be governed by the laws of the State of California.

The Surety may cancel this bond at any time by delivering thirty (30) days written notice of its desire to do so to the Insurance Commissioner of the State of California and to the Principal hereon. The Surety shall not be liable for any loss or claim based upon transactions occurring subsequent to the effective date of such cancellation, but such cancellation shall not affect the liability of the Surety as to any matters occurring prior to the effective date thereof.

IN WITNESS WHEREOF, the seal and signature of the said Principal is hereto affixed this _____ day of _____, 20_____, at _____, _____, and the corporate seal and name of the said Surety are hereto affixed by its duly authorized Attorney-in-Fact, at _____, _____, this _____ day of _____, 20_____.

Principal (Attorney-in-Fact for Exchange)

By _____

Name

Title

(SEAL)
(if Principal is a corporation)

Surety

By _____

Name

Title

By _____

Name

Title

(SEAL)

Note: For instructions as to execution by principal and surety, for form of corporation acknowledgement, and for form of acknowledgement by individual Attorney-in-Fact, see California Code of Regulations, title 11, section 50.10.